

Amend Regulation 1660 (Leases of Tangible Personal Property – In General) to read as follows:

**1660. Leases of Tangible Personal Property – In General**

(a) Definitions.

- (1) Lease. . . . . (unchanged)
- (2) Sale Under a Security Agreement.
  - (A) . . . . . (unchanged)
  - (B) . . . . . (unchanged)
- (3) Sale and Leaseback Transactions.
  - (A) General. . . . . (unchanged)
  - (B) Special Application. . . . . (unchanged)
    - 1. . . . . (unchanged)
    - 2. . . . . (unchanged)
    - 3. . . . . (unchanged)
    - 4. . . . . (unchanged)
    - 5. . . . . (unchanged)
    - 6. . . . . (unchanged)
  - (C) Tax Benefit Transactions. . . . . (unchanged)
  - (D) Acquisition Sale and Leaseback Transactions. . . . . (unchanged)
    - 1. . . . . (unchanged)
    - 2. . . . . (unchanged)
    - 3. . . . . (unchanged)

(b) Leases as Sales or Purchases.

- (1) In General. . . . . (unchanged)
  - (A) . . . . . (unchanged)
  - (B) . . . . . (unchanged)
  - (C) . . . . . (unchanged)
  - (D) . . . . . (unchanged)
  - (E) . . . . . (unchanged)
    - 1. . . . . (unchanged)
    - 2. . . . . (unchanged)
  - (F) . . . . . (unchanged)
  - (G) . . . . . (unchanged)
- (2) Leases as Continuing Sales and Purchases. . . . . (unchanged)

(c) General Application of Tax.

Amend Regulation 1660 (Leases of Tangible Personal Property – In General) to read as follows:

(1) Nature of Tax. . . . . (unchanged)

(A) . . . . . (unchanged)

(B) . . . . . (unchanged)

(C) . . . . . (unchanged)

(D) . . . . . (unchanged)

(E) . . . . . (unchanged)

(F) . . . . . (unchanged)

(G) . . . . . (unchanged)

(H) "Customer facility fees" collected pursuant to Civil Code section 1936, or any other law whereby a local agency operating an airport requires a rental car company to collect a facility financing fee from its customers.

(2) Property Leased in Form Acquired. . . . . (unchanged)

(3) Property Purchased Tax Paid. . . . . (unchanged)

(4) Property Acquired in Exempt Transactions.

(A) . . . . . (unchanged)

(B) . . . . . (unchanged)

(C) . . . . . (unchanged)

(5) Property Subleased. . . . . (unchanged)

(6) Use of Property by Lessor. . . . . (unchanged)

(7) Options to Purchase. . . . . (unchanged)

(8) Tax Paid to Another State. . . . . (unchanged)

(9) Assignment of Leases.

(A) In General-Status of Assigned Leases. . . . . (unchanged)

(B) Assignment of a Right and Creation of a Security Interest. . . . . (unchanged)

(C) Assignment of Contract with Transfer of Right, Title, and Interest for Security Purposes. . . . . (unchanged)

(D) Assignment of Contract and All Right, Title, and Interest. . . . . (unchanged)

(d) Particular Applications.

(1) Portable Toilets. . . . . (unchanged)

(2) Video Cassettes, Videotapes, Videodiscs. . . . . (unchanged)

(3) Lease of an Animal. . . . . (unchanged)

(4) Composed Type, Reproduction Proofs, Impressed Mats. . . . . (unchanged)

(5) Repair Parts. . . . . (unchanged)

(6) Neon Signs. . . . . (unchanged)

(7) Property Affixed to Realty. . . . . (unchanged)

Amend Regulation 1660 (Leases of Tangible Personal Property – In General) to read as follows:

(8) Mobilehomes.

(A) . . . . . (unchanged)

(B) . . . . . (unchanged)

(C) . . . . . (unchanged)

(e) Grant of Privilege to Use Which is Not a Lease.

(1) In General. . . . . (unchanged)

(2) Definitions.

(A) . . . . . (unchanged)

(B) . . . . . (unchanged)

(C) . . . . . (unchanged)

1. . . . . (unchanged)

2. . . . . (unchanged)

3. . . . . (unchanged)

4. . . . . (unchanged)

5. . . . . (unchanged)

(3) Examples of Situations Which Do Not Qualify for Exclusion from the Term “Lease”.

(A) . . . . . (unchanged)

(B) . . . . . (unchanged)

(C) . . . . . (unchanged)

(D) . . . . . (unchanged)

(4) Application of Tax to Situations Qualifying for Exclusion from the Term “Lease”.  
. . . . . (unchanged)

NOTE: Authority cited: Section 7051, Revenue and Taxation Code.

Reference: Sections 6006, 6006.1, 6006.3, 6006.5, 6009, 6010, 6010.1, 6010.65, 6010.7, 6011, 6012, 6012.6, 6016.3, 6092.1, 6094, 6094.1, 6243.1, 6244, 6244.5, 6379, 6390, 6391, 6407, and 6457, Revenue and Taxation Code; and Section 1936, Civil Code.